

It's Your Business

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SBA Spurs Economic Growth in Massachusetts with 3,148 Loans Totaling \$368 Million

CDC/504 Program Posts Record Year

Massachusetts small business owners received 3,148 loans totaling \$368 million, a record dollar total, from the SBA in 2005 through its two main business loan programs.

The SBA guaranteed 2,986 loans through its flagship 7(a) Loan Guaranty Program for a total of \$287 million. These loans are available to purchase or construct real estate, equipment and inventory, to finance fixtures and leasehold improvements, and for working capital. The Certified Development Company/504 Loan Program posted its best year ever with 162 loans totaling \$81 million. These loans are used to construct, purchase or rehabilitate fixed assets such as land, buildings, machinery and equipment.

The SBA guaranteed 7,789 loans in the six New England states totaling more than \$1 billion, a record year in dollars. Nationally, small businesses turned to the SBA in record numbers in fiscal year 2005, securing 97,891 loans worth \$19 billion.

In 2005, 109 lending institutions participated in SBA loan programs in Massachusetts. Citizens Bank was the #1 SBA lender in Massachusetts for the fifth year in a row both in number of loans and dollars with 1,229 loans totaling \$55 million, while Bank of America was second with 401 loans totaling \$14 million. Sovereign Bank was third with 181 loans totaling \$14 million.

SBA's lending partnerships cover the entire state, and while the larger banks produce the greatest number of loans, community banks are also active SBA lenders. Among the top ten lenders are: TD Banknorth, Eastern Bank, BankFive (formerly the Fall River Five Cents Savings Bank), the Bank of Western Massachusetts, Heritage Co-operative Bank and Danversbank. Capital One also finished in the top 10. View the complete bank ranking list for 2005, including the number of loans and dollar totals credited to each lending institution at: <http://www.sba.gov/ma/loanvolume05.html>. (cont'd page 3)

SEED Venture Finance, LLC – SBA's newest SBIC in Massachusetts

SBA Massachusetts District Director Maurice L. Dubé, Congressman Barney Frank and State Senator Mark Pacheco addressed an audience of 120 business supporters at the kick-off event of SEED Ventures LP, SBA's newest small business investment corporation in Massachusetts on October 17, 2005 in Raynham. SEED Venture Finance, LLC, is a private investment firm specializing in subordinated debt, senior debt and equity investments in small and medium sized businesses.

SEED will typically invest between \$250,000 and \$1 million in the form of subordinated debt with warrants and has relationships with other investors that allow it to accommodate larger transactions.

Typical transactions include: strategic acquisitions, buyouts by internal or external management teams, recapitalizations to provide shareholder liquidity or inter-generational wealth transfer, patient capital and equipment and real estate purchases. Contact Thomas Wooters, Jr. at 508-219-4266.



Left to right: State Senator Mark Pacheco, Congressman Barney Frank, Massachusetts SBA Director Maurice L. Dubé

Calendar of Events

Upcoming Workshops at the Massachusetts SBA Office, 10 Causeway Street, Room 265, Boston

Overview of SBA Programs & Services

11/29: 10 – 11:30 a.m.
Contact Anna Outerbridge at 617-565-8510 to register.

Overview of SBA's 8(a) Business Development Program

11/30: 10 – 11 a.m.
Socially and economically disadvantaged firms will learn about 8(a) program benefits and application procedures, how to gain a preference for federal contracts, how to access sole source contracts and how to become certified. Contact Anna Outerbridge at 617-565-8510 to register.

Lenders' Training in Springfield on Friday, December 2, 2005:

SBA 101: 9 a.m. – 12 noon, the basics of SBA lending.

Basic Liquidation/Guaranty Purchase, 1 – 3 p.m.

See full description on this page.

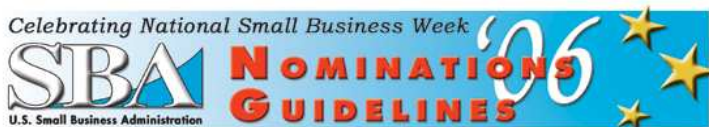
SBA Lender Workshop in Springfield on December 2, 2005

9 – 12 p.m.: SBA 101 covers SBA lending programs. This workshop is targeted to new SBA lenders or lenders looking to brush up on SBA lending practices.

1 – 3 p.m.: Basic Liquidation/Guaranty Purchase workshop. This workshop is for lenders that are new to liquidating SBA loans and/or to lenders that may have the need to request that SBA pay on its guaranty.

Register for either session or both.

Both workshops will be held at the Scibelli Enterprise Center, Building 101-R, Springfield Community College, One Federal Street, Springfield. Contact Bob Nelson at SBA in Springfield at 413-785-0484.



<http://www.sba.gov/nominationsguideline.html>

The SBA is searching for outstanding Massachusetts small business owners and small business champions who will be honored during Small Business Week 2006. Small business categories include: Small Business Person of the Year, Family-Owned Small Business, Young Entrepreneur and Small Business Exporter. Champion categories include: minority, woman, veterans, financial services, journalist and home-based. Champion nominees may or may not be business owners but must assist their constituents through advocacy efforts. Contact Joan Trudell at 617-565-5572 for more information.

SBA and GSA Provide 800 Number for Small Businesses Seeking Contracting Opportunities Following Hurricanes Katrina and Rita

Small business owners will have increased opportunities to participate in federal prime and sub-contracting rebuilding efforts in the areas affected by hurricanes Katrina and Rita.

The SBA has partnered with the U.S. General Services Administration and other federal agencies to provide a toll-free number, **1-800-FED-INFO (800-333-4636)**, to help small businesses learn about hurricane relief efforts, contracting and rebuilding opportunities.

Small businesses interested in learning more about contracting opportunities in the affected areas can find more information on the SBA's Web site at <http://www.sba.gov/>. There they will find a banner titled "Information on Hurricane Contracting Opportunities." and the link: <http://www.rebuildingthegulfcoast.gov/>.

USA Services allows citizens to get information about government programs in English and in Spanish via the Internet, publications, telephone and e-mail. This involves using <http://www.firstgov.gov/>, <http://www.espanol.gov/>, the National Contact Center's 1-800-FED-INFO (333-4636), and the National Publications Center in Pueblo, Colorado.

MILITARY RESERVIST ECONOMIC INJURY DISASTER LOAN PROGRAM

The purpose of the Military Reservist Economic Injury Disaster Loan program (MREIDL) is to provide funds to eligible small businesses to meet its ordinary and necessary operating expenses that it could have met, but is unable to meet, because an essential employee was "called-up" to active duty in their role as a military reservist. These loans are intended only to provide the amount of working capital needed by a small business to pay its necessary obligations as they mature until operations return to normal after the essential employee is released from active military duty. The purpose of these loans is not to cover lost income or lost profits. MREIDL funds cannot be used to take the place of regular commercial debt, to refinance long-term debt or to expand the business. This program applies to military conflicts occurring or ending on or after March 24, 1999. http://www.sba.gov/disaster_recov/loaninfo/militaryreservist.html.

SBA Programs & Services Community Workshops

11/3: **Lawrence** Career Center, Lawrence, 1:30 – 3:30 p.m. Contact Lisa Welch at 617-565-5588.

11/7: CareerPoint, **Holyoke**, 2 – 3:30 p.m. Contact CareerPoint at 413-532-4900.

11/9: North Shore Career Center of **Lynn**, 10 a.m. – 12 noon. Contact Lisa Gonzalez Welch at 617-565-5588.

11/9: **Quincy** Career Center, 1:30 – 3 p.m. Contact Mike Kelley in Quincy at 617-745-4024.

11/10: Scibelli Enterprise Center, **Springfield**, 9 – 10:30 a.m. Contact Bob Nelson at SBA at 413-785-0484.

11/10: Greater **Lowell** Chamber of Commerce, 10 – 11:30 a.m. Contact Lisa Gonzalez Welch at SBA at 617-565-5588.

11/15: Lawrence Career Center, **Haverhill**, 10 a.m. – 12 noon. Contact Lisa Welch at 617-565-5588.

11/16: Franklin County Chamber of Commerce, **Greenfield**, 9 – 10:30 a.m. Contact Bob Nelson at SBA at 413-785-0484.

Cont'd next page.

Center for Women & Enterprise Kicks Off its Women's Networking Event in Worcester



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CWE held their first newly designed women's networking event Tuesday, October 18, 2005 in Worcester. This monthly networking event, which features experienced woman business owners as guest speakers, will be held on the third Tuesday of each month. This program allows existing business women to confidentially discuss important business issues and also offers networking opportunities. Maureen Lincoln, president and founder of Applied Engineering Solutions, Inc., was the speaker at the kick off event.

Ms. Lincoln's background is in Mechanical Engineering, with a BSME from MIT. Since, 1999, AES has provided product design services to businesses and entrepreneurs which lack, or are limited in, an engineering staff.

Ms. Lincoln is known as a technical leader with innovative, comprehensive, and creative problem solving skills leading to high quality and precise engineering work. She is an outstanding communicator with proven excellence in clearly defining goals and expectations. Ms. Lincoln is a role model and advocate for women in technical fields such as engineering.

The next meeting is on Tuesday, November 15. To learn about this program and other programs offered by CWE, go to: <http://www.cweonline.org> and click on Central Massachusetts programs and services. Or call CWE at 508-363-2300.

Mass Export Center Initiates the Greater China Business Council of New England Inaugural event on October 20

Massachusetts Small Business Development Center

MSBDC
Network



SBA
U.S. Small Business Administration

Some of New England's most prominent firms, including Teradyne, New Balance Athletic Shoe, Analog Devices, Genzyme Corporation, Spalding Sports and others have joined together to form the Greater China Business Council of New England, a non-profit organization dedicated to promoting the growth of business between organizations in Greater China and those in New England.

The Council's inauguration took place on October 20 in Boston and featured a keynote address from Ambassador Charlene Barshefsky, former U.S. Trade Representative, architect and chief negotiator of China's historic WTO agreement, and one of the country's leading authorities on China.

The October 20 event also featured representatives from local firms who discussed best practices for success in China, including Joseph Preston, Vice President of International Business for New Balance Athletic Shoe, Inc.

The Greater China Business Council of New England was initiated by the Massachusetts Export Center, a government export assistance agency and part of the Massachusetts Small Business Development Center Network. "In the past two years, New England exports to China have increased nearly one hundred percent," said Paula Murphy, director of the Export Center and Council board member. "We have seen tremendous interest in China among our clients and formed the Greater China Business Council of New England to meet the needs of the local exporting community."

Continued from page 1 - SBA Year End 2005 Lending Results

Waltham-based Bay Colony Development Corp. was SBA's leading Certified Development Corp. (Section 504) lending partner in Massachusetts with 51 projects totaling \$26 million, while Taunton-based SEED Corp. was second with 41 projects adding up to \$16 million. New England Certified Development Corp. of Wakefield finished in third place with 26 projects totaling \$15 million. (See page 4 for complete listing.)

SBA also trained and counseled more than 33,000 prospective and existing business owners in Massachusetts in 2005 as a result of SBA's entrepreneurial development efforts in partnership with the Massachusetts Small Business Development Center Network, SCORE, *Counselors to America's Small Business*, and the Center for Women & Enterprise, SBA's official women's business center in Massachusetts.

SBA Programs & Services Workshops
(cont'd.)

11/16: Merrimack Valley Chamber of Commerce, **Lawrence**, 10 a.m. – 12 noon. Contact Lisa Gonzalez at 617-565-5588.

11/16: CareerWorks, **Brockton**, 2 – 4 p.m. Call 508-513-3400.

11/17: **Plymouth** Career Center, 10 – 12 noon. Contact the career center at 508-732-5399 to register.

“Connect with the SBA” Community Workshop

11/8: Lynn Area Chamber of Commerce, 100 Oxford Street, Lynn 9 a.m. – 12 noon. Contact Anna Outerbridge at 617-565-8510.

Workshops:

9 a.m. – Finance Your Dreams”;

10 a.m. – Training & counseling programs available through SBA;

11 a.m. Government Contracting.

Register for one or all three.

Top 25 SBA 7 a Lenders for 2005

	LENDER NAME	GROSS AMOUNT	LOANS
1	CITIZENS BANK	\$55,066,300.00	1229
2	BANK OF AMERICA, NATIONAL ASSOCIATION	\$13,567,300.00	401
3	SOVEREIGN BANK	14,185,300.00	181
4	CAPITAL ONE FEDERAL SAVINGS BANK	\$6,935,000.00	153
5	TD BANKNORTH, NATIONAL ASSOCIATION	\$19,158,000.00	131
6	EASTERN BANK	\$8,078,700.00	55
7	FALL RIVER FIVE CENTS SAVINGS BANK	\$5,540,200.00	53
8	BANK OF WESTERN MASSACHUSETTS	\$8,267,300.00	52
9	HERITAGE COOPERATIVE BANK	\$9,027,800.00	48
10	DANVERSBANK	\$7,320,400.00	45
11	SOUTH SHORE SAVINGS BANK	\$2,712,000.00	40
12	GREYLOCK FCU	\$3,407,200.00	36
13	ROCKLAND TRUST COMPANY	\$5,588,400.00	32
14	INDEPENDENCE BANK	\$7,817,500.00	27
15	CENTURY BANK AND TRUST COMPANY	\$1,765,000.00	26
16	CHICOPEE SAVINGS BANK	\$1,796,577.00	25
17	FLORENCE SAVINGS BANK	\$2,517,500.00	25
18	CIT SMALL BUSINESS LENDING CORP	\$14,429,500.00	24
19	ENTERPRISE BANK AND TRUST COMPANY	\$2,832,920.00	23
20	WELLS FARGO BANK, NATIONAL ASSOCIATION	\$750,000.00	17
21	CHARTER ONE BANK, NATIONAL ASSOCIATION	\$1,002,000.00	15
22	FLAGSHIP BANK AND TRUST COMPANY	\$3,237,200.00	15
23	UNITED BANK	\$953,000.00	15
24	BENJAMIN FRANKLIN BANK	\$3,905,000.00	14
25	WESTFIELD BANK	\$2,080,000.00	14
	TOTAL OF ALL 7A LOANS:	\$287,187,777.00	2986

Certified Development Company/SBA 504 Loans for 2005

	LENDER NAME	GROSS AMOUNT	LOANS
	BAY COLONY DEVELOPMENT CORPORATION	\$26,377,000.00	51
	SOUTH EASTERN ECONOMIC DEVELOPMENT CORPORATION	\$16,144,000.00	41
	NEW ENGLAND CERTIFIED DEVELOPMENT CORPORATION	\$15,416,000.00	26
	GRANITE STATE ECONOMIC DEVELOPMENT CORPORATION	\$13,382,000.00	24
	WORCESTER BUSINESS DEVELOPMENT CORPORATION	\$4,256,000.00	9
	SOUTH SHORE ECONOMIC DEVELOPMENT CORPORATION	\$3,839,000.00	8
	OCEAN STATE BUSINESS DEVELOPMENT AUTHORITY	\$725,000.00	2
	CAPE & ISLANDS COMMUNITY DEVELOPMENT, INC.	\$370,000.00	1
	TOTAL:	\$80,509,000.00	162

Top CDC/504 Third Party Lenders – next page

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Top CDC/504 Third Party Lenders for 2005

	THIRD PARTY LENDER	GROSS AMOUNT	LOANS
	ENTERPRISE BANK AND TRUST COMPANY	\$4,490,000.00	9
	COMMUNITY BANK	\$2,737,750.00	8
	SOVEREIGN BANK	\$4,507,500.00	8
	ROCKLAND TRUST COMPANY	\$3,457,750.00	7
	TD BANKNORTH, NATIONAL ASSOCIATION	\$4,421,500.00	7
	BENJAMIN FRANKLIN BANK	\$9,339,450.00	6
	EASTERN BANK	\$3,742,500.00	6
	MIDDLESEX SAVINGS BANK	\$5,996,750.00	6
	SALEM FIVE CENTS SAVINGS BANK	\$2,533,500.00	6
	BANK OF AMERICA, NATIONAL ASSOCIATION	\$5,899,000.00	5
	GREATER BAY BANK, NATIONAL ASSOCIATION	\$1,147,000.00	5

Western Massachusetts SCORE Chapter Strives for Excellence

SCORE®
Counselors to America's Small Business

Western Mass SCORE serves the western third of the state with locations in Springfield, Greenfield, Pittsfield and Agawam. The chapter has 46 counselors with a wide range of business startup and operations experience and skills. Western Mass SCORE has emphasized diversity and was recognized for having 33% of its counselors coming from the women and minority communities in fiscal 2004.

To continue the focus on providing exceptional client service, the chapter has recently initiated a "continuous improvement program." This consists of follow-up contacts with each of their clients to determine the level of satisfaction with the services provided. Questions to clients cover both counseling and workshop activities. A ten question client survey was developed to keep the process simple and relatively brief. Contacts are made by either telephone or e-mail in the month following counseling. A rotating set of two counselors perform and summarize the surveys each month.

The survey questions cover the counselors listening and understanding skills, effectiveness of materials and resources provided, success in having questions answered, whether workshops and follow-up sessions were arranged and encouraged and the ease of working with SCORE related to counseling times and locations.

Client reaction to the survey has been very positive. The information received, both good and bad, has been enlightening and is feeding the continuous efforts to maintain and improve client service and satisfaction levels. A number of changes to chapter practices and procedures are being implemented as a result. The process is still in the initial stages and is expected to generate continuing feedback and ideas for improvement.

Did you Know that SBA Can Guarantee Bid, Performance & Payment Bonds?

The SBA can guarantee bonds for contracts up to \$2 million, covering bid, performance and payment bonds for small and emerging contractors who cannot obtain surety bonds through regular commercial channels. SBA's guarantee gives sureties an incentive to provide bonding for eligible contractors, and thereby strengthens a contractor's ability to obtain bonding and greater access to contracting opportunities. A surety guarantee, an agreement between a surety and the SBA, provides that SBA will assume a predetermined percentage of loss in the event the contractor should breach the terms of the contract. For more information on this program, go to: <http://www.sba.gov/financing/bonds/faqs.html>.